

**TOWN OF LECOMPTE
LECOMPTE, LOUISIANA**

JUNE 30, 2014

**TOWN OF LECOMPTE, LOUISIANA
ANNUAL FINANCIAL REPORT**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Gregory Clark, Mayor,
and Board of Aldermen
Town of Lecompte
Lecompte, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Lecompte, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



The CPA. Never Underestimate The Value.™

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Town of Lecompte as of June 30, 2014, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

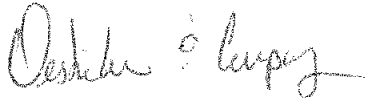
Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of the Town of Lecompte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lecompte's internal control over financial reporting and compliance.

A handwritten signature in cursive script, likely reading "Oestricher & Company", written in dark ink.

OESTRICHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

December 12, 2014

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Lecompte, Louisiana
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Assets</u>			
Cash	\$ 637,373	\$ -	\$ 637,373
Receivables, net of allowance	69,044	-	69,044
Capital assets, net of accumulated depreciation	2,240,831	-	2,240,831
Total assets	<u>2,947,248</u>	<u>-</u>	<u>2,947,248</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	118,987	-	118,987
Current portion of long-term obligations	7,066	-	7,066
Capital lease obligation - current	1,490	-	1,490
Other liabilities	6,200	-	6,200
Total current liabilities	<u>133,743</u>	<u>-</u>	<u>133,743</u>
Long-term debt	<u>134,086</u>	<u>-</u>	<u>134,086</u>
Total liabilities	<u>267,829</u>	<u>-</u>	<u>267,829</u>
<u>Net Position</u>			
Net investment in capital assets	2,098,189	-	2,098,189
Unrestricted net position	95,467	-	95,467
Restricted net position	485,763	-	485,763
Total net position	<u>\$ 2,679,419</u>	<u>\$ -</u>	<u>\$ 2,679,419</u>

The notes to the financial statements are an integral part of this statement.

Town of Lecompte, Louisiana
Statement of Activities
For The Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Primary Government		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
GOVERNMENTAL ACTIVITIES							
Primary Government							
Governmental activities							
General Government	\$ 1,019,693	\$ 207,203	\$ -	\$ -	\$ (812,490)	\$ -	\$ (812,490)
Public Safety	294,244	235,274	-	-	(58,970)	-	(58,970)
Streets	732,319	438,576	14,029	-	(279,714)	-	(279,714)
Debt Service Funds	6,074	-	-	-	(6,074)	-	(6,074)
Total governmental activities	<u>2,052,330</u>	<u>881,053</u>	<u>14,029</u>	<u>-</u>	<u>(1,157,248)</u>	<u>-</u>	<u>(1,157,248)</u>
 Total primary government	<u>\$ 2,052,330</u>	<u>\$ 881,053</u>	<u>\$ 14,029</u>	<u>\$ -</u>	<u>(1,157,248)</u>	<u>-</u>	<u>(1,157,248)</u>
 General revenues:							
Taxes-							
Ad valorem taxes, levied for general purposes					\$ 535,595	\$ -	\$ 535,595
Sales and use taxes					461,658	-	461,658
Franchise taxes					74,252	-	74,252
Beer taxes					2,957	-	2,957
Interest and investment earnings					433	-	433
Miscellaneous					7,983	-	7,983
Total general revenues and transfers					<u>1,082,878</u>	<u>-</u>	<u>1,082,878</u>
Change in net position					<u>(74,370)</u>	<u>-</u>	<u>(74,370)</u>
Net position-beginning of year					<u>2,753,789</u>	<u>-</u>	<u>2,753,789</u>
Net position-ending of year					<u>\$ 2,679,419</u>	<u>\$ -</u>	<u>\$ 2,679,419</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Town of Lecompte, Louisiana
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General</u>	<u>One Cent Sales Tax Fund</u>	<u>Half Cent Sales Tax Fund</u>	<u>Sewer Maintenance Fund</u>	<u>Millage Fund</u>	<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>							
Cash	\$ 23,924	\$ 173,902	\$ 18,606	\$ 329,411	\$ 4,338	\$ 87,192	\$ 637,373
Receivables, net of allowance	15,325	12,277	6,138	13,282	-	-	47,022
Due from other funds	66,314	-	-	70,600	6,300	-	143,214
Due from other governmental units	21,813	-	-	-	-	-	21,813
Total assets	<u>\$ 127,376</u>	<u>\$ 186,179</u>	<u>\$ 24,744</u>	<u>\$ 413,293</u>	<u>\$ 10,638</u>	<u>\$ 87,192</u>	<u>\$ 849,422</u>
<u>Liabilities and fund balances</u>							
Liabilities:							
Accounts payable	\$ 26,010	\$ 20,282	\$ 4,302	\$ 23,586	\$ 44,899	\$ -	\$ 119,079
Due to other funds	-	17,547	1,280	3,090	30,960	90,337	143,214
Other liabilities	5,899	-	-	-	-	-	5,899
Total liabilities	<u>31,909</u>	<u>37,829</u>	<u>5,582</u>	<u>26,676</u>	<u>75,859</u>	<u>90,337</u>	<u>268,192</u>
Fund balances (deficit):							
Committed	-	148,350	19,162	386,617	(65,221)	(3,145)	485,763
Unassigned	95,467	-	-	-	-	-	95,467
Total fund balances (deficit)	<u>95,467</u>	<u>148,350</u>	<u>19,162</u>	<u>386,617</u>	<u>(65,221)</u>	<u>(3,145)</u>	<u>581,230</u>
Total liabilities and fund equity	<u>\$ 127,376</u>	<u>\$ 186,179</u>	<u>\$ 24,744</u>	<u>\$ 413,293</u>	<u>\$ 10,638</u>	<u>\$ 87,192</u>	<u>\$ 849,422</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
June 30, 2014**

Total fund balance-total governmental funds	\$ 581,230
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$6,910,517 net of accumulated depreciation of (\$4,669,686), are not financial resources and, therefore, are not reported in the funds	\$ 2,240,831
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds	(141,152)
Capitalized lease obligation of governmental activities is not payable from current resources and, therefore, not reported in the funds	<u>(1,490)</u>
	<u>2,098,189</u>
Net position of governmental activities	<u><u>\$ 2,679,419</u></u>

The notes to the financial statements are an integral part of this statement.

Town of Lecompte, Louisiana
Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
For the year ended June 30, 2014

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Half Cent Sales Tax Fund</u>	<u>Sewer Maintenance Fund</u>	<u>Millage Fund</u>	<u>Non - Major Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxes	\$ 345,769	\$ 146,328	\$ 73,153	\$ -	\$ 506,255	\$ -	\$ 1,071,505
Licenses and permits	52,423	-	-	-	-	-	52,423
Intergovernmental	2,957	-	-	-	-	-	2,957
User fees	62,716	-	-	235,274	-	-	297,990
Fines and forfeitures	69,658	-	-	-	-	-	69,658
Other	16,512	229	-	152	-	13,942	30,835
Total revenues	<u>550,035</u>	<u>146,557</u>	<u>73,153</u>	<u>235,426</u>	<u>506,255</u>	<u>13,942</u>	<u>1,525,368</u>
Expenditures:							
Current:							
General and administrative	283,924	41,678	86,774	118,852	-	456,550	987,778
Fire protection	-	10,940	-	-	-	-	10,940
Police protection	146,648	-	-	-	-	-	146,648
Highways and streets	137,455	86,731	-	-	551,394	-	775,580
Capital outlay	-	-	-	-	-	-	-
Debt service-							
Principal	-	-	-	-	-	6,806	6,806
Interest and fiscal charges	-	-	-	-	-	6,074	6,074
Total expenditures	<u>568,027</u>	<u>139,349</u>	<u>86,774</u>	<u>118,852</u>	<u>551,394</u>	<u>469,430</u>	<u>1,933,826</u>
Excess (deficiency) of revenues under (over) expenditures	(17,992)	7,208	(13,621)	116,574	(45,139)	(455,488)	(408,458)
Other financing sources (uses):							-
Transfers from (to) other funds	72,945	(113,374)	26,253	-	-	14,176	-
Debt proceeds	-	-	-	-	-	-	-
Grant proceeds	14,029	-	-	-	-	438,576	452,605
Total other sources (uses):	<u>86,974</u>	<u>(113,374)</u>	<u>26,253</u>	<u>-</u>	<u>-</u>	<u>452,752</u>	<u>452,605</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	68,982	(106,166)	12,632	116,574	(45,139)	(2,736)	44,147
Fund balances (deficit), beginning	26,485	254,516	6,530	270,043	(20,082)	(409)	537,083
Fund balances (deficit), ending	<u>\$ 95,467</u>	<u>\$ 148,350</u>	<u>\$ 19,162</u>	<u>\$ 386,617</u>	<u>\$ (65,221)</u>	<u>\$ (3,145)</u>	<u>\$ 581,230</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2014**

Net changes in fund balances-total governmental funds	\$ 44,147
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Capital expenditures	\$ -
Depreciation expense	<u>(131,098)</u>
	(131,098)
Governmental funds record long-term debt in the General Long-Term Debt Account Group as opposed to recording debt activity in the fund financial statements. However, in the statement of activities, the debt and related expenses are reported	
Principal paid on long-term debt obligations	6,806
Principal paid on capital lease expensed in governmental funds	<u>5,775</u>
Change in net position of governmental activities	<u><u>\$ (74,370)</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Town of Lecompte, Louisiana (the Town) was incorporated February 24, 1904 under the provisions of Louisiana law. The Town operates under the Lawrason Act with a Mayor - Board of Aldermen form of government and provides the following functions to its citizenry: public safety (police and fire protection), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting practices of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The following is a summary of certain significant accounting policies and practices:

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

The Town of Lecompte has implemented GASB 63 which requires the presentation of a Statement of Net Position instead of a Statement of Net Assets in the government-wide financial statements.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Governmental Funds -

General Fund-The general fund is the general main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted for a specific purpose are accounted for in this fund.

One Cent Sales Tax Fund-The one cent sales tax fund is a special revenue fund designed to receive a portion of sales tax in order to fund the expenses of the fire department and pay for garbage disposal.

Half Cent Sales Tax Fund-The half cent sales tax fund is a special revenue fund which receives a portion of sales tax in order to pay for the expenses of the Old Lecompte High School.

Sewer Maintenance Fund-The sewer maintenance fund is a special revenue fund designed to pay expenses concerning the sewer and sewer maintenance.

Millage Fund-The millage fund is a capital projects fund which is designed to pay expenses related to street improvement.

Non-Major Funds-The non major funds are all other funds within the Town of Lecompte.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds).

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Encumbrances

The Town does not record encumbrances in its accounting system.

Budgets and Budgetary Accounting

The Town Charter establishes the fiscal year as the twelve-month period beginning July 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The City Clerk and Mayor prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen no later than fifteen days prior to the beginning of the fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amounts are as originally adopted, or as amended by the Board of Aldermen. All budgetary appropriations lapse at the end of the fiscal year.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Assets and Liabilities

Cash and cash equivalents - For reporting purposes, cash and cash equivalents (restricted and unrestricted) includes all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments maturing in three months or less. Cash restricted for payment as required by law, contract, or agreement is reported separately in the financial statements.

Receivables - All receivables are reported at the gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund receivables and payables - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Due from other governmental units - Receivables from other governmental units represent collections of various revenues which are expected to be submitted within sixty days after the close of the fiscal year.

Property, plant and equipment - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost less accumulated depreciation in the Statement of Net Position. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Compensated absences - The Town does not accumulate unpaid vacation, sick pay, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

Fund Balances

Town of Lecompte has adopted the provisions of GASB 54 related to the classification of governmental fund balances. The governmental fund balances are classified as follows:

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Unassigned – all other spendable amounts.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS:

As of June 30, 2014, cash and cash equivalents totaled \$637,373 (book balance) and \$1,804,070 (bank balance), all of which is classified as unrestricted. Cash balances are insured to Federal Deposit Insurance Corporation limits. All cash balances in excess of FDIC insurance limits are collateralized.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3. RECEIVABLES:

Receivables as of June 30, 2014 consisted of the following:

	<u>General Fund</u>	<u>Once Cent Fund</u>	<u>Half Cent Fund</u>	<u>Maintenance Fund</u>	<u>Memorandum Totals</u>
Other receivables	\$ 1,785	\$ 12,277	\$ 6,138	\$ 13,282	\$ 33,482
Franchise taxes	<u>13,540</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,540</u>
	<u>\$ 15,325</u>	<u>\$ 12,277</u>	<u>\$ 6,138</u>	<u>\$ 13,282</u>	<u>\$ 47,022</u>

4. INTERFUND RECEIVABLES AND PAYABLES:

Interfund balances as of June 30, 2014, consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 66,314	\$ -0-
One Cent Sales Tax Fund	-0-	17,547
Half Cent Sales Tax Fund	-0-	1,280
Sewer Maintenance Fund	70,600	3,090
Millage Fund	6,300	30,960
Non-Major Funds		
Red River Delta Grant	-0-	3,107
Sewer Construction	-0-	70,600
Street Improvement	-0-	6,425
Park Fund	-0-	10,000
LCDBG Housing Project	-0-	137
Public Equipment Sinking Fund	<u>-0-</u>	<u>68</u>
Totals	<u>\$ 143,214</u>	<u>\$ 143,214</u>

5. DUE FROM OTHER GOVERNMENTAL UNITS:

Amounts due from other governmental units as of June 30, 2014 consist of \$21,813 of sales taxes due to the general fund from the Rapides Parish Police Jury.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

6. CHANGES IN GENERAL FIXED ASSETS:

A summary of general fixed asset transactions for the year ended June 30, 2014 follows:

	Balance <u>June 30, 2013</u>		Balance <u>June 30, 2014</u>
Land	\$ 20,144	\$ -0-	\$ 20,144
Buildings	55,913	-0-	55,913
Building improvements	727,726	-0-	727,726
Vehicles and equipment	1,302,421	-0-	1,302,421
Street, parking, and other	<u>4,804,313</u>	<u>-0-</u>	<u>4,804,313</u>
Totals-cost	6,910,517	-0-	6,910,517
Accumulated depreciation	<u>(4,538,588)</u>	<u>(131,098)</u>	<u>(4,669,686)</u>
Capital assets, net	<u>\$ 2,371,929</u>		<u>\$ 2,240,831</u>

7. ACCOUNTS AND OTHER PAYABLES:

Accounts payable for the general fund include ordinary payables and taxes paid under protest in the amount of \$931.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

8. CAPITAL LEASE OBLIGATION

The following is a summary of the capital leases obligation of the Town of Lecompte, Louisiana for the year ended June 30, 2014:

Capital lease obligation to Mears Motor Leasing, original amount \$19,206; interest at 5.23%; due in monthly installments of \$501.44.

Transactions for the year ended June 30, 2014 are summarized as follows:

	General Fund
Capital lease obligation as of June 30, 2013	\$ 7,265
Add: capitalized obligation	-0-
Less: principal payments	<u>(5,775)</u>
Capital lease obligation as of June 30, 2014	<u>\$ 1,490</u>

<u>Year ending June 30</u>	General Fund
2015	\$ <u>1,490</u>
Total minimum lease payments	<u>\$ 1,490</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

9. CHANGES IN LONG-TERM DEBT

	<u>Bonds</u>
Long-term debt at June 30, 2013	\$ 147,958
Debt assumed	-0-
Debt retired	<u>(6,806)</u>
Long-term debt at June 30, 2014	<u>\$ 141,152</u>

Public Improvement Bonds

\$181,000 Certificate of Indebtedness, Series 2010 due in monthly installments of \$1,073.33 from January 21, 2012 to December 21, 2030; interest rate of 3.75 percent; payable from general revenues of the Town of Lecompte. \$ 141,152

The annual requirements to amortize all debt outstanding at June 30, 2014 are as follows:

<u>Year ending June 30</u>	<u>Debt Service Fund</u>
2015	\$ 7,066
2016	7,336
2017	7,616
2018	7,906
2019	8,208
2020-2030	<u>103,020</u>
Total debt service payments	<u>\$ 141,152</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

10. AD VALOREM TAXES:

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31st in the year which the tax is levied. Property taxes are recognized in compliance with NCGA Interpretation 3 - (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2014, the Town levied 7.28 mills of taxes totaling \$30,968 and collected \$29,340, which was dedicated to the general corporate purposes of the Town.

11. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES:

No provision has been made for uncollectible receivables since all receivables are from other governmental units and private companies that the Town historically has always collected from in a timely manner.

12. PENSION PLANS:

Substantially all employees of the Town are members of the Municipal Police Employees' Retirement System of Louisiana or the Municipal Employees' Retirement System. These systems are multiple-employer (cost-sharing) public employee retirement systems (PERS), controlled and administered by separate boards of trustees.

Municipal Employees' Retirement System of Louisiana (System) The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town participating in the retirement system are members of Plan B. All permanent employees working at least 35 hours per week, who are not covered by another pension plan and are paid wholly or in part from municipal funds, and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to two percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each municipality, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute 5 percent of their annual covered salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Municipal Police Employees' Retirement System of Louisiana (System) All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of the final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute 7.5 percent of their annual covered salaries to the System. As provided by Louisiana revised Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

13. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to public employees, and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

14. FUND DEFICIT

As of June 30, 2014, the following funds had deficit balances:

<u>Fund</u>	<u>Deficit</u>
Millage Fund	\$ 65,221
LCDBG Housing Project	82
Public Equipment Reserve	3,240
Street Improvement Fund	2,227
Pie Festival Fund	6,197

REQUIRED SUPPLEMENTARY INFORMATION

**Town of Lecompte, Louisiana
Budgetary Comparison Schedule
All Governmental Fund Types
For the Year Ended June 30, 2014**

	GENERAL FUND				ONE CENT SALES TAX FUND			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Original	Final	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 324,000	\$ 324,000	\$ 345,769	\$ 21,769	\$ 255,000	\$ 255,000	\$ 146,328	\$ (108,672)
Licenses and permits	43,000	43,000	52,423	9,423	-	-	-	-
Intergovernmental	3,500	3,500	2,957	(543)	-	-	-	-
User fees	65,000	65,000	62,716	(2,284)	-	-	-	-
Utility agreements	-	-	-	-	-	-	-	-
Fines and forfeitures	103,200	103,200	69,658	(33,542)	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	34,600	34,600	16,512	(18,088)	-	-	229	229
Total revenues	<u>573,300</u>	<u>573,300</u>	<u>550,035</u>	<u>(23,265)</u>	<u>255,000</u>	<u>255,000</u>	<u>146,557</u>	<u>(108,443)</u>
Expenditures:								
General and administrative	302,488	302,488	283,924	18,564	86,800	86,800	41,678	45,122
Fire protection	-	-	-	-	27,200	27,200	10,940	16,260
Police protection	163,228	163,228	146,648	16,580	-	-	-	-
Highways and streets	80,454	80,454	137,455	(57,001)	-	-	86,731	(86,731)
Garbage collection	-	-	-	-	-	-	-	-
Recreational expense	27,130	27,130	-	27,130	-	-	-	-
Sewerage maintenance	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Grant expenses	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenditures	<u>573,300</u>	<u>573,300</u>	<u>568,027</u>	<u>5,273</u>	<u>114,000</u>	<u>114,000</u>	<u>139,349</u>	<u>(25,349)</u>
Excess (deficiency) of revenues over expenditures	-	-	(17,992)	(17,992)	141,000	141,000	7,208	(133,792)
Other financing sources:								
Grant proceeds received	-	-	14,029	14,029	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	(26,253)	(26,253)	-	-	(113,374)	(113,374)
Transfers out	-	-	99,198	99,198	-	-	-	-
Total other financing sources	-	-	<u>86,974</u>	<u>86,974</u>	-	-	<u>(113,374)</u>	<u>(113,374)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	68,982	68,982	141,000	141,000	(106,166)	(247,166)
Fund balances (deficiency), beginning	<u>26,485</u>	<u>26,485</u>	<u>26,485</u>	-	<u>254,516</u>	<u>254,516</u>	<u>254,516</u>	-
Fund balances (deficiency), ending	<u>\$ 26,485</u>	<u>\$ 26,485</u>	<u>\$ 95,467</u>	<u>\$ 68,982</u>	<u>\$ 395,516</u>	<u>\$ 395,516</u>	<u>\$ 148,350</u>	<u>\$ (247,166)</u>

The notes to the financial statements are an integral part of this statement.

Town of Leecompte, Louisiana
Budgetary Comparison Schedule
All Governmental Fund Types
For the Year Ended June 30, 2014

	HALF CENT SALES TAX FUND				SEWER MAINTENANCE FUND			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)	Original	Final	Actual	Variance Favorable (Unfavorable)
Revenues:								
Taxes	\$ 75,000	\$ 75,000	\$ 73,153	\$ (1,847)	\$ -	-	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
User fees	-	-	-	-	255,000	255,000	235,274	(19,726)
Utility agreements	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	100	100	152	52
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>73,153</u>	<u>(1,847)</u>	<u>255,100</u>	<u>255,100</u>	<u>235,426</u>	<u>(19,674)</u>
Expenditures:								
General and administrative	75,000	75,000	86,774	(11,774)	254,000	254,000	118,852	135,148
Fire protection	-	-	-	-	-	-	-	-
Police protection	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Garbage collection	-	-	-	-	-	-	-	-
Recreational expense	-	-	-	-	-	-	-	-
Sewerage maintenance	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Grant expenses	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>86,774</u>	<u>(11,774)</u>	<u>254,000</u>	<u>254,000</u>	<u>118,852</u>	<u>135,148</u>
Excess (deficiency) of revenues over expenditures	-	-	(13,621)	(13,621)	1,100	1,100	116,574	115,474
Other financing sources:								
Grant proceeds received	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	26,253	(26,253)	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,632</u>	<u>(39,874)</u>	<u>1,100</u>	<u>1,100</u>	<u>116,574</u>	<u>115,474</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	(989)	(53,495)	2,200	2,200	233,148	230,948
Fund balances (deficiency), beginning	<u>6,530</u>	<u>6,530</u>	<u>6,530</u>	<u>-</u>	<u>270,043</u>	<u>270,043</u>	<u>270,043</u>	<u>-</u>
Fund balances (deficiency), ending	<u>\$ 6,530</u>	<u>\$ 6,530</u>	<u>\$ 5,541</u>	<u>\$ (53,495)</u>	<u>\$ 272,243</u>	<u>\$ 272,243</u>	<u>\$ 503,191</u>	<u>\$ 230,948</u>

The notes to the financial statements are an integral part of this statement.



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EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA
DALE P. DeSELLE, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Gregory Clark, Mayor
and Members of the Board of Aldermen
Town of Lecompte, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the related notes of the Town of Lecompte, Louisiana, as of and for the year ended June 30, 2014, and have issued our report thereon dated December 12, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Lecompte, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lecompte, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Lecompte, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.



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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *significant deficiency* in internal control is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-3 to be a significant deficiency in internal control over financial reporting

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year findings to be material weaknesses listed as items number 2014-1, 2014-2.

Compliance

As part of obtaining reasonable assurance about whether the Town of Lecompte, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Lecompte, Louisiana's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit the Town of Lecompte, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



OESTRICHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

December 12, 2014

TOWN OF LECOMPTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2014

Section I-Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Town of Lecompte, Louisiana.
2. Two material weaknesses disclosed during the audit of the basic financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. One significant deficiency was disclosed during the audit of the basic financial statements and is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No instances of noncompliance material to the basic financial statements of the Town of Lecompte, Louisiana were disclosed during the audit.

Section II-Financial Statement Findings

Finding 2014-1

Statement of Condition – The Town does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish.

Effect of condition – Lack of oversight that could lead to improperly recorded transactions.

Cause of condition – The small number of personnel employed by the Town.

Recommendation – The Town should monitor the assignment of duties to insure as much segregation of duties as possible.

Questioned costs – None

Finding 2014-2

Statement of Condition – The job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Criteria – A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Effect of Condition – A large number of audit adjustments were recorded due to the lack of experience and training by the town clerk. The audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Cause of Condition – The job description did not stipulate requirements for hiring personnel with knowledge of GAAP.

Recommendation – The Town should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Questioned Costs – None

Finding 2014-3

Statement of Condition – Tickets are not being signed back in to the Chief or Assistant Chief when the books have been completed. Therefore, the Chief or Assistant Chief cannot determine whether all tickets that have been issued to the police officer have been returned.

Criteria – The Police Department has an unwritten policy that ticket books be returned the Chief or Assistant Chief when all tickets in the book have been issued.

Effect of Condition – The Town of Lecompte was unable to account for all tickets issued to police department employees during the year in a timely manner.

Cause of Condition – The Chief of Police resigned during the year, and the new acting Chief was unaware of the unwritten policy.

Recommendation – The police department should develop a written policy regarding the issuance and return of ticket books and follow the written policy.

Questioned Costs – None

Section III-Federal Awards Findings and Questioned Costs

None

**Town of Lecompte, Louisiana
Management's Corrective Action Plan
For the year ended June 30, 2014**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2014-1

The Town does not have adequate segregation of duties.

Planned corrective action

Due to budgetary constraints, the Town will not hire any additional personnel. Employees will be monitored as effectively as possible with the limited staff.

Finding 2014-2

The job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Planned corrective action

Due to budgetary constraints, the Town will not amend the job description. While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than the current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.

Finding 2014-3

Tickets are not being signed back in to the Chief or Assistant Chief when the books have been completed. Therefore, the Chief or Assistant Chief cannot determine whether all tickets that have been issued to the police officer have been returned.

Planned corrective action

The Town will consider adopting a policy regarding the issuance of ticket books when a permanent Chief of Police hired.

**Town of Lecompte, Louisiana
Summary Schedule of Prior Audit Findings
For the year ended June 30, 2014**

Section I - Internal Control and Compliance Material to the Financial Statements

Finding 2013-1 – Inadequate segregation of duties.

Corrective action taken- Condition is not resolved. See Finding 2014-1

Finding 2013-2 - Job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Corrective action taken – Condition is not resolved. See Finding 2014-2.

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

No management letter was issued for the year ended June 30, 2014.